

To be answered by Applicant for Certificate of Authority as a GRANTS AND ANNUITIES SOCIETY

State of _____)
County of _____)

I, _____, _____ of
(officer position or title)

_____, the Applicant herein, first being duly sworn, give the following answers and make the following statements in support of the application of the above named organization for a certificate of authority pursuant to Section 11520 to 11524, inclusive, of the California Insurance Code:

1. Does Applicant agree that if it is issued a certificate of authority as applied for, it will keep separate records of its annuity transactions (i.e., property and money received in consideration of its agreements to pay annuities, income therefrom or interest thereon, contracts issued and payments made thereunder) and liabilities arising therefrom?

2. Does Applicant understand that money and property, together with the interest and dividends thereon and proceeds therefrom, received by Applicant conditioned upon issuance of its contracts to pay annuities must be physically and legally segregated from other assets of the organization?

Attach a brief statement of the form and manner of how such legal and physical separation will be accomplished.

[Note that the practice of depositing funds in a separate account or holding property and securities in a segregated status does not prevent a licensee withdrawing from time to time (preferably not more often than once a year and after its annual statement has been audited by the insurance commissioner) pursuant to appropriate resolution of its board of trustees such amount or amounts as are determined in a manner satisfactory to the commissioner to be excess over and above its reserve fund required to be maintained by Insurance Code Section 11521.]

3. Does Applicant understand and agree that, its reserve must be invested as provided for in Section 11521.2 of the Insurance Code? _____
4. Does Applicant understand that its liability, under annuity contracts to be issued by it, is not necessarily limited to and may in fact exceed the aggregate consideration it receives for issuing them or the aggregate reserve that it has established pursuant to statute?

5. If Applicant is granted a certificate of authority, is it prepared to operate in conformity with all of the foregoing principles? _____
6. A sample form of annual financial statement required of grants and annuities licensees is enclosed herewith. Does Applicant have, or, if admitted will it have, adequate facilities and personnel to complete and file an accurate statement promptly after the close of each fiscal or calendar year?

7. Does Applicant operate on a calendar or fiscal year basis? _____

If Applicant operates on a fiscal year, indicate the beginning and concluding dates of the fiscal year.

8. If Applicant is granted a certificate of authority, who will be in charge of the management and investment of its annuity funds and properties?

a) Applicant's investment committee:

b) Investment advisory firm:

9. What will be Applicant's policy with respect to real and personal property transferred to it for annuity purposes? i.e., to hold indefinitely in status quo, or to convert to cash and invest in permissible liquid securities as soon as that may be done advantageously?

10. Does the Applicant accept transfers of property from an aged person conditioned upon an agreement to furnish the transferor life care or care for a period of more than one year?

11. Does the Applicant have any general investment policy and California specific investment policy or will such a policy be developed for gift annuity reserves?

Please attach detailed information on any existing or contemplated investment scheme. Additionally, does the Applicant have, or contemplate, any internal restraints or investment policy that would be more stringent than the limitations of the permissible investments in Insurance Code §1170 through 1182?

Subscribe this _____ day of _____, _____ at _____.

Signature of Affiant

Subscribed and sworn to before me on the day and date last above written.

Notary Public in and for said County and State.